



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Monday, August 28, 2006

Major Developments

Update: Mississippi River Reopens to Allow Traffic; Will Reclose for 20 Hours to Complete Dredging

All three of the grounded barges and towboats from the three separate accidents on the river on August 24 have been successfully refloated and two of the three sections of the River were reopened to traffic the day after the accidents. Although the Coast Guard opened the river between Mile Markers 263 and 267 early this morning to alleviate some of the traffic backup, the river will be closed later on Monday for approximately 20 hours so that the dredging operation can be completed.

Reuters, 09:47 August 28, 2006

Electricity

Thunderstorm Knocks Out Power to 26,000 PECO Customers Saturday, August 26

http://cbs3.com/local/local_story_239001120.html

<http://www.nbc10.com/news/9742644/detail.html>

AES Begins Construction of 233 MW Wind Project in Texas

AES Corporation announced that it has begun construction of the 233 MW Buffalo Gap Unit 2 wind farm near Abilene, Texas. This is an expansion to the 121 MW Buffalo Gap wind farm that began operation early this year. Once completed, the combined operation will be one of largest operating wind farms in the U.S.

<http://biz.yahoo.com/bw/060828/20060828005294.html?v=1>

Exelon's 1,043 MW Clinton Nuke in Illinois Shut August 28

The company shut the unit following a malfunction of some of the power supply to some of the instruments at the facility. The company indicated that the problem was under investigation and that the unit would return to service following the completion of repairs.

Bloomberg News, 14:00 August 28, 2006

PPL Increases Output at its 1,185 MW Susquehanna Nuke Unit 2 in Pennsylvania

PPL announced that it has increased the output from its unit 2 at the Susquehanna nuclear generating station in Pennsylvania following the completion of control-rod testing.

Bloomberg News, 12:35 August 28, 2006

Southern's 1,215 MW Nuke Unit 2 Shut in Georgia

A problem with a reactor cooling pump led to the automatic shut-down of the 1,215 MW unit during the early morning on August 27.

Bloomberg News, 11:59 August 27, 2006

Texas Municipal Power's 462 MW Coal-fired Gibbons Creek Plant in Texas Shut Aug 26 - 27

The Texas Municipal Power Agency announced that it would shut its 462 MW coal-fired Gibbons Creek facility so that repairs on a leaking boiler tube could be undertaken. The company estimated that the unit would be out of service on August 26 and 27.

Reuters, 08:25 August 28, 2006

TXU's 545 MW Coal-fired Sandow Unit 4 Restarted in Texas Aug. 24

According to a report from state regulators, the unit was restarted following a shutdown of one day when a malfunction occurred in a flame detection system.

Reuters, 15:56 August 25, 2006

Progress Energy's 938 MW Brunswick Nuke Unit 1 Increases Output to 94 Percent in North Carolina

According to the daily report of the Nuclear Regulatory Commission, the unit had increased power to 94 percent of capacity up from 64 percent on Friday August 25. The unit is exiting from an outage that began last week to perform work on a generator.

Reuters, 07:19 August 28, 2006

EPA Upholds Illinois Permits for 1,500 MW Coal-fired Prairie State Energy Campus Facility

The U.S. Environmental Protection Agency's appeals board upheld air permits from the state of Illinois that will allow the operation of the planned 1,500 MW Prairie State Energy Campus to be constructed adjacent to a coal mine owned by Peabody Energy in southern Illinois. Construction will begin once an operator is selected for the plant.

Reuters, 18:25 August 25, 2006

Petroleum

Update: BP Warned Five Years Ago About Prudhoe Bay Pipelines

Federal investigators are looking into allegations that BP pressured Alaska regulators to revise an independent assessment critical of BP's pipeline management at Prudhoe Bay five years ago. Another source, Coffman Engineers in Seattle, had published a report in November 2001 that had raised concerns about BP's monitoring of Alaska pipelines. The draft report questioned whether BP was using remote-operated devices that check for corrosion and other wear extensively enough. However, Associated Press reports that most of the comments about the devices were eliminated from the final report, published early in 2002.

http://biz.yahoo.com/ap/060827/oil_field_shutdown.html?.v=2

http://www.energyintel.com/DocumentDetail.asp?document_id=183157

Update: BP Completes Inspections on 5 Percent of Prudhoe Pipelines, August 25

BP announced that it has completed ultrasonic inspections for five percent of the Prudhoe Bay pipeline system. About 1,000 feet in the western portion and 5,200 feet in the eastern portion of the field have been inspected.

http://biz.yahoo.com/ap/060825/bp_prudhoe_inspections.html?.v=1

ConocoPhillips Shuts Benzene Unit at its 247,000 b/d Sweeny Refinery in Texas

ConocoPhillips shut a tower at Unit 7 at its 237,000 b/d Sweeny refinery in Texas to deal with operating difficulties in a benzene column. The unit was shut down over the weekend according to a report filed with state regulators. The work on the tower was scheduled to begin during the morning on August 26.

Reuters, 09:19 August 28, 2006

Natural Gas

Nothing to report.

Tropical Storm Ernesto:

Ernesto Moving in the Direction of Florida

Tropical Storm Ernesto, which was briefly Hurricane Ernesto, is likely to regain strength as it heads back out into the open waters of the Caribbean Sea. Computer models indicate that the path of the storm will take it over Florida's Atlantic coast rather than through the Gulf of Mexico as earlier predicted.

<http://www.latimes.com/news/nationworld/nation/la-na-ernesto28aug28,0,4246370.story?coll=la-home-headlines>

<http://intelligencepress.com/subscribers/daily/news/story.emb?REF=49049>

BP Planning to Evacuate 800 from Gulf of Mexico Facilities Aug. 26

On August 26, BP announced that it planned to begin evacuating some 800 nonessential personnel on Saturday from its offshore facilities in the Gulf of Mexico in preparation for the arrival of Tropical Storm Ernesto. BP also stated that its production of 214,000 b/d will not be affected by the removal of the workers.

Reuters, 16:29 August 26, 2006

Gov Bush Declares State of Emergency in Florida: Price Gouging Prohibited

Florida Governor Jeb Bush declaring a state of emergency in Florida Sunday with the approach of Tropical Storm Ernesto. The declaration activates an anti-gouging statute which makes it illegal to charge excessive prices for essential items such as gasoline or generators.

<http://www.doacs.state.fl.us/press/2006/08282006.html>

Gov Bush Says Gasoline Supplies Adequate

Governor Bush said the state's ports have a more gasoline and diesel fuel on hand than in previous similar situations. However, Bush also said that he was uncertain how many gasoline stations have generators in place or plans that would enable them to operate during a power outage.

<http://www.sun-sentinel.com/news/local/southflorida/sfl-828bushernesto,0,2139017.story?coll=sfla-news-sfla>

Motorists Warned to Fill Tanks Early – New Law Requiring Generators at Stations Not in Effect Until 2007

Motorist in Florida are being warned to fill their tanks early as part of their preparations should Tropical Storm Ernesto become Hurricane Ernesto again and strike Florida. A new law designed to remedy the situation that found hundreds of motorists stranded, unable to evacuate because as electricity failed they could not get gas, will not go into effect until 2007. The law requires certain gasoline stations to have access to a generator to enable the stations to operate off the grid when necessary. The law requires owners having 10 stations in any county to have a generator that can be moved around to different locations. Owner of more than 10 stations will be required to have a higher number of generators. Hence even when the law goes into effect, all stations will not be required to have a generator. According to a trade association, about 20 percent of the stations in Florida presently have access to a generator. For more information on the law see:

http://www.fpma.org/pdf_PetroInfo/082106Generatorbill.pdf

<http://www.dailycomet.com/apps/pbcs.dll/article?AID=/20060828/APN/608280730>

ConocoPhillips Evacuates Some Workers from GOM Facilities

ConocoPhillips announced that it was evacuating about three dozen nonessential workers from its offshore operations in the Garden Banks and Green Canyon areas of the Gulf of Mexico on Sunday as it prepared for the arrival of the Tropical Storm Ernesto.

Reuters, 14:29 August 27, 2006

Shell Shuts Some GOM Wells, Evacuates Workers in Preparation for Ernesto – Impact on Production Minimal

On August 28, Shell Oil announced that it had shut a small number of offshore wells in the Gulf of Mexico as a precaution as the company prepares for the arrival of Tropical Storm Ernesto. Shell previously evacuated 110 workers on Saturday and 524 workers on Sunday. Shell indicated that its preparations would have only a minimal impact on production.

Reuters, 14:30 August 28, 2006

Louisiana: Governor Places State on Alert

Reuters, 16:40 August 26, 2006

Energy Prices

U.S. Oil and Gas Prices August 28, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	70.45	72.12	66.05
NATURAL GAS Henry Hub \$/Million Btu	6.51	6.72	9.86

Source: Reuters

Energy Notes

Due to Storm, 20,000 TXU Customers without Power Sunday, August 27

<http://www.kten.com/Global/story.asp?S=5332285>

NRC Readies for New Nuclear-Related Activities for Yucca Mountain

<http://www.upi.com/Energy/view.php?StoryID=20060825-122244-9 549r>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov